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TAGS: [PGOV](#) [PINR](#) [PREL](#) [ECON](#) [AR](#)
SUBJECT: ARGENTINA: HIGH-PROFILE GOVERNOR ASPIRES TO LESS
AUTHORITARIANISM, MORE PARTICIPATION IN PROVINCIAL RULE

¶1. (SBU) Summary: Ambassador Wayne met with the governor of Argentina's prosperous and populous Santa Fe province Hermes Binner August 28 to discuss potential avenues of cooperation which included tax reform, health, education and commerce. The two hours of discussion were also an opportunity to hear the perspective of the only Socialist governor in Argentina's history. Binner, one of the country's highest-profile governors, indicated that his overall objective is to promote transparency and solicit active civic participation throughout Santa Fe province. He expressed concern over Argentina's growing isolationism and the potential effect the government's conflict with the farm sector has had on the country's international image. The Governor also bemoaned the province's inability to act decisively due to a lack of resources and support from the central government. The Governor and his aides welcomed the Embassy's support in cultivating new connections between the United States and Santa Fe via sister city exchanges. Although Governor Binner has been touted in the press as a potential presidential candidate in 2011, he did not indicate such ambitions during the visit, nor did he exhibit these ambitions in his style. The low-key Governor seemed resigned to the status quo of a strong central government and focused on his province's immediate challenges. End Summary.

¶2. (SBU) Ambassador Wayne met with Santa Fe Governor Hermes Binner on August 28 in the Ambassador's first visit to Santa Fe province's capital city. Binner was accompanied by Minister of Government and State Reform Antonio Bonfatti and Minister of Finance Angel Jose Sciara. The two-hour meeting and lunch provided an opportunity to discuss potential areas of bilateral cooperation and to hear the perspective of the only Socialist Governor in Argentina's history. The trip's control officer, Embassy press attache, and poloff (notetaker) also attended.

Relations with the Central Government

¶3. (SBU) In opening the meeting, the Ambassador remarked that he was interested in hearing Binner's perspective on the challenges he faced and expectations he had after his first eight months in office. Binner replied that he is focused on promoting transparent and socially responsible governance to create a "less authoritarian and more participatory government." He bemoaned the difficulties of dealing with a central government that "takes a lot and redistributes little," referring to the GoA's "co-participation" system of sharing tax revenues with Argentina's 23 provinces and federal capital. He stressed that the federal government should share a larger part of the revenue pie throughout the country, particularly in the wake of a year-long drought in Santa Fe.

¶4. (SBU) Binner expressed his apprehension about the current state of relations between the federal government and the rural sector, noting that the farm conflict has polarized the country and impeded the government from resolving other key matters. He relayed his concern about Argentina's growing isolation and the effect this dispute has had on the country's international reputation. The Governor stated that he wanted the Fernandez de Kirchner administration to succeed, but did not know if it would be possible

when the administration monopolized key decisions and did not consult outside their immediate circle. Minister of State Reform Bonfatti added that relations with the federal government were in a "permanent state of confrontation." In response to PolOff's question about interaction with other provincial leaders, Binner and his aides laughed and wryly responded that the Governors were kept apart by design. He added that if all the Governors gathered, the Kirchners would worry that they might be conspiring against them.

15. (SBU) In discussing Santa Fe's key priorities, Binner repeatedly referred to the province's inability to act decisively due to the lack of resources and support from the central government. He complained that while provinces are responsible for primary education, federal law mandated structural changes that created thousands of new schools without providing resources to adequately fund them. Binner added that public utilities like electricity were difficult to regulate because they were centrally controlled and subsidized. He lamented that Argentina does not have clear or mutually-beneficial rules to govern provincial and central government relations.

Tax Reform

16. (SBU) Binner's Finance Minister Sciara noted his strong interest in improving the provincial tax system. Sciara mentioned that the province was considering a new project to improve the rail system between Santa Fe, Buenos Aires, and Rosario that ideally would be financed by tax revenue. The Ambassador noted the San Francisco region's positive results from using sales tax as an additional mechanism to finance regional transportation projects that voters in the state oppose paying for with property taxes. Sciara

acknowledged the value of this method, but commented that people in the United States were very used to paying additional taxes. Binner added that he was especially impressed with the concept of a social security tax, but noted the challenges in mandating new taxes. The Ambassador offered Embassy assistance in facilitating exchanges on best practices at the state level, particularly with California, which bore several similarities to Santa Fe. The mayor of Rosario, Santa Fe's largest city, and a fellow Argentine Socialist, has already begun to establish ties with California. Binner highlighted the challenges in creating new taxes, and thought that further industrialization of the Parana River's ports would further attract investment and revenue from abroad.

Government Reform

17. (SBU) Turning to a discussion of government reform, the governor explained that he is working to propose amendments to the province's Constitution, which he deemed crucial since the national reforms of 1994. He said the provincial Constitution is very outdated. He prioritized three main areas for progress: environmental issues, economic production, and social programs. He wants to industrialize agricultural processes in the province to gain a foothold in the global market, and noted that he had to lessen disparities in the province between the humid and dry areas. To date, no single media outlet broadcasts throughout the province, evidence that the communications infrastructure has yet to reach capacity to support an informed electorate. Improving social inclusion and citizen political participation were also high on the Governor's agenda, not only soliciting input from various think tanks, universities, and institutes, but also from "every rung of the social ladder."

Justice

18. (SBU) The Ambassador congratulated the Governor on his province's decision to establish a special police unit to investigate trafficking in persons crimes. The Governor acknowledged the praise, but did not address the issue, referring instead to the need for a federal witness protection program.

Investment Promotion

¶9. (SBU) Binner said investment promotion was important to the development of Santa Fe, especially as his province not only has fertile land but is also exceptionally rich in skilled labor. He cited Santa Fe's dominant agricultural products in dairy and poultry products, and proudly noted the establishment of dairy cooperative Sancor and U.S. investor Clorox in the province. He said that they wanted to be able to further utilize the labor pool by opening more factories, and he welcomed the recent inauguration of a new production line at the GM plant in Santa Fe. He said further industrialization of the Parana River's ports could help attract investment and revenue from abroad, but admitted that Santa Fe had few ways to improve its competitiveness relative to other provinces.

He said he would welcome coordination with the Embassy Commercial section to establish an Office for Trade and Investment. The Ambassador pointed out that public-private partnerships are an increasingly popular approach to trade and investment in the United States.

The Importance of Partnerships

¶10. (SBU) The Ambassador mentioned the importance of promoting educational and youth exchanges and of state to province exchanges and partnerships. Binner and his aides welcomed the Embassy's support in cultivating new connections between the United States and Santa Fe. They were enthusiastic about working with California, noting that San Francisco has the largest population of Santafesinos. Binner described the city of Rosario's close relationship with the Boston Port Authority, thanks to Harvard's Lincoln Institute, which consists of regular contact between customs officials through courses and internship opportunities in different harbors in the U.S. This program has been instrumental to formulating reform proposals in Rosario, and was initiated through the Director of the Lincoln Institute, who is originally from Santa Fe as well.

Health

¶11. (SBU) Binner, himself a medical doctor, noted that the World Bank is funding 19 public health projects in Santa Fe. He passionately spoke about the disparity between public and private

hospitals in the province, observing that most public hospitals were more than a century old and lacked modern medical equipment. The Ambassador suggested the benefits in decentralizing the appointments system through an automated Internet service could help improve service. Binner explained that the problem was not only scarce resources, but also increasing corruption in a cumbersome bureaucracy.

Conservation

¶11. (SBU) Binner stated that he wishes to promote environmental conservation in Santa Fe and protect its precious natural resources.

He related the recent discovery of 26 neglected pumas found in a raid on a farm that exposed a cruel business and abuse of a vulnerable species. He also spoke of farm conservation, noting that an increase in French tourists that went bird-hunting was contaminating the soil and water, which in turn adversely affected agricultural production. The Ambassador said he would be visiting an environmental NGO shortly after lunch which is promoting a sustainable fishing and commercial sales project in Santa Fe.

Bio Note

¶12. (SBU) Binner was elected to his post in September 2007 with 48.6% of the votes. He is not a member of the government coalition but has enjoyed a respectful relationship with the Kirchners.

Nonetheless, he has been a vocal critic of the government's handling of the conflict with farm groups over agriculture export taxes, calling for President Cristina Fernandez de Kirchner to be less confrontational and more open to dialogue.

¶13. (SBU) An active member of the Socialist party since his university years, Binner, together with his mentor Guillermo Estvez Boero, co-founded the Socialist Popular Party in 1972. During Argentina's "Dirty War" (1976 to 1983), Binner supported human rights initiatives and labor unions in Santa Fe, and became director of public hospitals when democracy was reestablished in 1983. From 1989 to 1993, Binner served as secretary of public health during Socialist Hector Cavallero's term as mayor of Rosario and he was a member of Rosario's City Council from 1993 to 1995. Binner served for two consecutive periods as mayor of Rosario, Santa Fe's largest city, from 1995 to 2003. In 2003, he was a candidate for Santa Fe governor, but lost the election to Peronist Jorge Obeid. Binner served as a national congressman from 2005 to 2007.

¶14. (SBU) Binner was born in the city of Rafaela in Santa Fe on June 5, 1943 to a family of Swiss origin. He received a degree in medicine in 1970 from the National University of Rosario and later obtained postgraduate degrees in anesthesiology and labor medicine. He has four children from his first marriage (two sons, who are both doctors and two daughters-one a doctor and the other an engineer) and a nine-year-old son with his current wife. He enjoys classical music, watching soccer, and eating asado (Argentine barbecue). Binner's travel to the U.S. includes New York City and Washington D.C. in 1996 and Chicago in 1999.

Comment

¶15. (SBU) Binner was a warm and considerate host. Although he has been touted in the press as a potential presidential candidate in 2011, he did not indicate during the visit that he had such ambitions. The Governor came across as low-key, reserved, and reflective. He appeared focused on his province's immediate challenges, but also resigned to the status quo of a strong central government. Binner was vague about his Socialist Democrat identity, allowing his close aides Sciari and Bonfatti to narrate the history of Socialist thought in Santa Fe. He spoke at the macro level, failing to provide specifics on a single project, while repeatedly stating his overall objective to promote transparency and solicit active civic participation. He did not display the verve or ambition one would expect from a potential presidential candidate. Rather, he came across as a concerned, competent provincial leader.

WAYNE

[hngl]for what?